

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chairman*

JOSEPH E. CONNARTON, *Executive Director*

Auditor SUZANNE M. BUMP | KATE FITZPATRICK | ELIZABETH FONTAINE | JOHN B. LANGAN | JAMES M. MACHADO | ROBERT B. MCCARTHY

MEMORANDUM

TO: Berkshire County Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: July 2, 2015

This Commission is hereby furnishing you with approval of the funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on July 1 and January 1 of each fiscal year. The schedule is effective in FY16 (since the amount under the prior schedule was maintained in FY16) and is acceptable under Chapter 32.

This schedule reflects a reduction in the investment return assumption from 7.75% to 7.60% and the adoption of a fully generational mortality assumption.

If you have any questions, please contact PERAC's Actuary, Jim Lamenza, at (617) 666-4446, extension 921.

Enc.



Alternative 1
7.60% Investment Return
4.7% Total Increasing to 2024

Berkshire County Retirement System
January 1, 2015 Actuarial Valuation

Total Appropriation Increases 4.7% per year until FY24

<u>Fiscal</u> <u>Year</u>	<u>Normal</u> <u>Cost</u>	<u>Net</u> <u>3(8)(c)</u>	<u>Amort. of</u> <u>UAL</u>	<u>Amort. of</u> <u>2002 ERI</u>	<u>Amort. of</u> <u>2003 ERI</u>	<u>Total</u> <u>Cost</u>	<u>Unfunded</u> <u>Act. Liab.</u>	<u>% Increase</u> <u>Total Cost</u>
2016	3,175,441	200,000	5,003,396	65,196	35,967	8,480,000	42,079,690	
2017	3,318,336	200,000	5,260,501	65,196	35,967	8,880,000	39,883,970	4.7%
2018	3,467,661	200,000	5,531,176	65,196	35,967	9,300,000	37,249,704	4.7%
2019	3,623,705	200,000	5,815,132	65,196	35,967	9,740,000	34,129,223	4.7%
2020	3,786,772	200,000	6,112,065	65,196	35,967	10,200,000	30,471,541	4.7%
2021	3,957,177	200,000	6,421,660	65,196	35,967	10,680,000	26,222,118	4.7%
2022	4,135,250	200,000	6,743,587	65,196	35,967	11,180,000	21,322,603	4.7%
2023	4,321,336	200,000	7,188,664			11,710,000	15,710,558	4.7%
2024	4,515,796	200,001	7,544,203			12,260,000	9,308,598	4.7%
2025	4,719,007	200,002	2,081,827			7,000,836	2,044,406	-42.9%
2026	4,931,362	200,003				5,131,365	0	

Appropriation payments assumed to be made on average on October 1 of each fiscal year

Normal cost assumed to increase 4.5% per year

Assumed expenses of \$750,000

FY16 amount maintained at level of prior funding schedule